

CHAPTER 8

PUBLIC FACILITIES CONSTRUCTION MANAGEMENT

OVERVIEW

The intent of the process described in this chapter is to provide information about the key steps in managing a public facilities project and to inform potential contractors of their responsibilities when accepting a contract funded in whole or in part by TSEP dollars. The procedures described in this chapter are designed to:

- ? provide for fair and competitive awards of all contracts and subcontracts for construction of public facilities projects,
- ? assure the selection of qualified, experienced contractors at a reasonable cost,
- ? ensure that contractors and subcontractors comply with the applicable state requirements such as labor standards and procurement, and
- ? ensure that the construction phase of TSEP funded public facility projects is managed effectively.

A. APPLICABLE STATE REQUIREMENTS

The following state requirements set forth the principles for selection and awarding of construction contracts. In addition to compliance with the following, TSEP recipients must comply with applicable requirements discussed in all of the preceding chapters of this manual.

- ? Bid Security Sections 18-1-201, et seq., MCA, require that all bids be accompanied by bid security in the amount of ten percent to protect the public authority in the event a successful bidder fails or refuses to enter into a contract.
- ? Contractor Fee and Tax Section 15-50-205, MCA, requires contractors to pay to the Department of Revenue a 1% gross receipts tax and, in addition, requires local governments to withhold 1% of all payments due to contractors and transmit these funds to the Department of Revenue. Person(s) working on contracts valued at less than \$5,000 are exempt from this provision.
- ? Municipal Contracts and Franchises Section 7-5-4302, MCA, requires competitive bidding by cities and towns of construction contracts in excess of \$25,000, advertising

or posting of such contracts before bids are opened, and award of contracts to the lowest responsible bidder.

- ? County Contracts Section 7-5-2301, MCA, requires that a contract for construction in excess of \$50,000 may not be entered into by a county governing body without first publishing a notice calling for bids.
- ? Performance, Labor and Material Bonds Section 18-2-201, MCA, requires contractors to provide a bond that ensures that the contractor will "(a) faithfully perform all of the provisions of such contract; (b) pay all laborers, mechanics, subcontractors, and material men; and (c) pay all persons who shall supply ... provisions, material, or supplies for the carrying on of such work." This provision may be waived if the contract is under \$50,000.
- ? Retainage Section 18-2-316, MCA, limits the maximum retainage applied to construction contracts may not exceed 5% if the contractor is performing by the terms of the contract.
- ? Final Acceptance and Payment Section 18-2-306, MCA, requires that a government entity that enters into a contract for the construction of a building shall, unless otherwise provided by law or the contract and within 10 days after a request by the construction contractor for final acceptance, decide whether or not to make final acceptance. Within 30 days after final acceptance by the government entity, the government entity shall make the final payment of the contract price specified in the contract to the other party to the contract.

B. KEY STEPS IN MANAGING A PUBLIC FACILITIES PROJECT

The following steps are provided as a brief guide to managing the construction of public facilities projects. They should be followed along with applicable requirements in preceding chapters. You should always consult the actual text of current Montana law and work closely with your engineer regarding required or recommended construction management procedures for public works projects. In addition, MDOC has available a technical assistance manual called "Building It Right," which provides considerably more detail regarding the bidding, construction and closeout of public facilities projects.

Step 1 - Select Engineering Services

You should follow the instructions in Chapter 3, Procurement Standards, for selecting an engineer to prepare the final project plans, including drawings and material specifications and to supervise project construction. Those instructions include compliance with Section 18-8-201, MCA, which provides for the hiring of architects, engineers, and surveyors in response to

requests for proposals. Compensation for these professional services is negotiated after the firm is selected through a competitive proposal process.

Step 2 - Prepare Bid Package

Before inviting bids on any contract, the following steps should be taken to ensure that the bid package contains all the relevant information that bidders will need for their bid:

- the engineer should provide the local officials with a set of plans and

For various reasons, local governments sometimes prefer to hire their own project inspector instead of using the project inspector normally provided by the project engineer. There are many potential issues and inherent problems if a local government hires its own inspector, such as: qualifications of the inspector, coordination with the engineer, supervision, accountability, liability, the engineer's certification of the project, conflict of interest, etc. As a result, TSEP does not recommend that local governments use this type of arrangement, and TSEP funds cannot be used to reimburse the local government for those expenses. The local government can use its own funds or funding from another source if allowed by the funding agency.

specifications for the construction project including an accurate and clear description of the technical requirements of the project. Additionally, the plans and drawings must be stamped by an engineer registered or licensed by the Board of Professional Engineers and Land Surveyors;

- the plans and drawings should also be reviewed and approved by the Department of Environmental Quality or any other appropriate agency;
- acquire any property, easements, or rights-of-way that might be required for construction of the public facility;
- obtain information from local public utilities regarding underground installations. Utility's locations should be identified on a map of the project site that will be included in the bid package. The contractor should be required to verify these locations prior to actual construction and then be held liable for any subsequent damages to underground facilities;
- determine the cost and pricing format. Contracts may be either lump sum or unit priced. "Cost plus" contracts are not allowed; and
- the engineer will prepare the bid package including at least the following items:

- advertisement for bids;
- information on the method of bidding, process by which the bids will be evaluated, and the method of contract award;
- bid schedule;
- bid bond requirements;
- information on performance and payment bond requirements;
- current copy of state or federal prevailing wages, as applicable;
- general conditions; and
- TSEP supplemental general conditions (See Exhibit 8-A).

The State and Federal funding programs are in the process of developing a uniform supplemental general conditions that would combine each of the funding program's supplemental general conditions into a single document. Once that uniform document is completed, it may be used instead of the TSEP supplemental general conditions. However, the uniform supplemental general conditions will require that the Standard General Conditions of the Construction Contract Funding Agency Edition (EJCDC No. 1910-8-FA) be used.

The Montana Contractors Association publishes model bid specifications entitled "Montana Public Works Standard Specifications" (Fourth Edition, January 1996), and includes most of the items listed above. These standard specifications were prepared in cooperation with the Montana Utility Contractors Association, the Montana Department of Environmental Quality, and the Montana Department of Transportation. The standard specifications are now available on computer diskette, in addition to the traditional books. Both the books and computer diskettes can be ordered from the Montana Contractors Association, 1717 11th Avenue, Helena, Montana, 59601, telephone (406) 442-4162.

All construction contracts must contain provisions for compliance with either federal or state prevailing wage requirements. (See Chapter 6, Labor Requirements.) **All bid specifications and contracts for public works projects must include the prevailing wage rates, including fringe benefits that the contractors and subcontractors must pay for each job classification during construction of the project. Montana law provides that if a public agency or local government fails to include the prevailing wage rate requirements in a bid specification or contract, the contractor is relieved from the**

obligation to pay the prevailing wage rate and the obligation is then placed on the public contracting agency.

Bidders must also comply with applicable state and federal civil rights and equal employment opportunity requirements as described in Chapter 5, Civil Rights. The prescribed civil rights clause for bid documents and contracts is also included in the TSEP Supplemental General Conditions found in Exhibit 8-A.

If the TSEP recipient is constructing more than one project at the same time (for example, the City has received a TSEP grant to help fund a water project and the City also intends to pay the total cost of an unrelated sewer project) using the same contractor, the TSEP recipient needs to be aware of some requirements. Either the projects need to be bid separately or a provision in the bid, for the combined projects, must be included to ensure that the contractor files separate claims for the two projects. TSEP requires that the pay estimate and related documentation submitted with the TSEP Request for Funds Form must be separate from the other project so that the claim is clearly distinct for the project funded by TSEP funds.

Step 3 - Obtain Bid Document Review and Approval

To ensure that all of the required bid provisions are included, project engineers must send a copy of the bid package, to the assigned TSEP liaison **no later than 30 days prior to the initial bid advertisement**, for DOC approval.

Once the complete bid package has been assembled, it should be reviewed by the TSEP recipient's attorney for completeness and consistency with state laws and regulations. Montana law (Section 18-2-404, MCA) requires that all public works contracts be approved in writing by the public entity's legal adviser prior to execution.

Prior to the bid package being advertised, it must be reviewed and approved of all other applicable state or federal agencies with review and approval authority for the type of project planned. For most TSEP funded projects, this means that the Department of Environmental Quality has reviewed and approved the plans and specifications before the bid is advertised.

Step 4 - Advertise Bid Solicitation

An advertisement of the bid should be drafted based on the information included in the "Advertisement for Bid" portion of the bid document. The advertisement must be in accordance with the requirements stated in the table on the next page.

Jurisdiction	Statute	Amount of Contract	Advertising Requirements	Notes
Municipalities	7-5-4302, MCA	Contracts over \$25,000	Must advertise twice, no less than six days apart.	The second publication must be not less than five days or more than 12 days before the bid opening.
Counties and Districts	7-1-2121, MCA	Contracts over \$50,000	Must advertise twice, no less than six days apart.	

A copy of the current state wage rate determinations as provided by the Montana Department of Labor and Industry (MDLI) must be included in any solicitation for bids unless Montana's prevailing wage requirements are superseded by the federal Davis-Bacon Act. Wage rate determinations are issued by the MDLI every year for both "Heavy and Highway" and "Building" wage rates (see Exhibit 6-B for an example of a MDLI wage determination).

For copies of the state's wage rates call (406) 444-5600, or write:

Labor Standards Bureau
Montana Department of Labor and Industry
PO Box 6518
Helena, MT 59604

Or visit their internet site at: <http://rad.dli.state.mt.us/pw/>

Under ARM 24.16.9007, the wage rates applicable to a particular public works project are those in effect at the time the bid specifications are advertised. For this reason, the grant administrator should contact DOC approximately two weeks before bid advertising to re-verify that the wage determination is still current.

In addition to the minimum legal advertising, DOC strongly recommends that TSEP recipients also advertise at least once in a newspaper with regional distribution in their area of the state. The bid solicitation can also be submitted to plan exchanges and bid clearinghouses such as those administered by the Montana Contractors Association. The more exposure the bid solicitation receives, the more qualified contractors will be aware of it, hopefully resulting in lower and better bid proposals.

Any amendments to the bid package must be mailed as an addendum to each bidder, and every bidder must be given an appropriate period of time to review and respond.

Step 5 - Log Each Bid

Upon receipt, each bid should be logged as to time and date of receipt. The bids should remain sealed and safely stored until the bid opening.

Step 6 - Conduct Bid Opening

The bid opening should be conducted in a businesslike manner with each bid being opened and reviewed prior to reading aloud the dollar amounts. The TSEP recipient's attorney should participate in the bid opening. If any irregularities are found, the amounts should not be read or considered and the bid should be returned to the bidder. Should a bidder identify an error in the bids, in any form, the TSEP recipient's attorney should review the state statutes governing bid irregularities before proceeding further. When all matters of bid irregularities are resolved, the low bidder will then be determined.

Examples of irregularities for consideration in the rejection of bids include:

- ? bid proposals not submitted on specified forms, or altered in form by a bidder;
- ? unsigned bid proposals;
- ? bid proposals not accompanied by the specified guarantee (bid bond, etc.);
- ? bid proposals by unqualified or improperly licensed entities, contrary to specifications or law;
- ? qualifying a bid or bid items in a bid proposal contrary to the specified requirements of bid items or bidding documents;
- ? bid proposals which omit items required by the specifications;
- ? altering a bid as to specified time of commencement or completion of work; and
- ? bid proposals which fail to acknowledge an addendum.

Examples of minor bid irregularities that may be waived include:

- ? omission of date when signed, or title of person signing;
- ? failure to initial erasures (assuming other information is legible);
- ? failure to acknowledge an addendum which does not affect quantity, quality, time or price;
- ? submission of a bid in an unsealed envelope;
- ? omission of a subcontractor's or supplier's name at bid submission time;
- ? unit price bid proposals which include correctable, reconcilable arithmetic errors if the unit price does not change; and
- ? lump sum bid proposals which include correctable, reconcilable arithmetic errors if the amount on which the award will be based does not change.

In the event that all bids exceed the amount of funds available for the construction project, the TSEP recipient has two options:

1. use additional local financing resources such as general revenues or bond proceeds; or
2. modify the bid package and repeat the entire bid process as outlined above.

Under no circumstances can the TSEP recipient negotiate with the low bidder to bring the offer in line with the project budget. If a TSEP recipient has reason to believe that bids may come in higher than available funds, separate (deductive) bid schedules should be used. Under this approach, the bid proposal would contain several schedules of work items or components to be provided, and any one of them could then be eliminated from the project. This would also allow contractors to either bid on one component or all components of work items, generally providing more competition and greater likelihood of a lower bid amount.

Step 7 - Review Low Bid

Following the bid opening, the low bid should be reviewed to ensure that the bid submission is technically and legally responsive to the solicitation for bids, that the contractors and all subcontractors are qualified and have the capacity to carry out the project as scheduled. If, in the opinion of the project engineer and the TSEP recipient's attorney, the low bid proves to be unsatisfactory for any reason, and the TSEP recipient chooses to use the next lowest bidder, a statement of justification must be sent to the low bidder with a copy retained in the construction contract file.

Step 8 - Verify Low Bidder Eligibility

Prior to awarding any construction contract, the TSEP recipient must provide notice to the TSEP liaison of the name of the prospective contractor firm and its principal owner(s) (see sample letter, Exhibit 6-C). The TSEP liaison will then check the MDLI to determine if those names are listed and provide the TSEP recipient with a notice of the contractor's eligibility or ineligibility. **TSEP funds may be withdrawn from any contract entered into with a listed or otherwise ineligible contractor.** (Contractor eligibility reviews are also discussed in Chapter 6, Labor Requirements.) After debarment review, no further DOC approval of the contractor is required. If federal funds are involved in the TSEP project, the appropriate funding agencies should also be consulted regarding federal debarred contractor requirements.

Step 9 - Award Contract

The TSEP recipient should make the contract award within 30 days of the bid opening unless there are special circumstances, such as if the funds are not yet available or if the project requires some legislative action. Generally, the bid is valid beyond sixty days only with the agreement of the low bidder. If a delay of longer than 60 days is anticipated, TSEP recipients should contact their TSEP liaison for guidance. (A sample "Notice of Award" is included in the "Montana Public Works Standard Specifications" cited earlier.)

The complete contract package should consist of an executed contract document that includes the following attachments:

- ? all items included in the bid package;
- ? contractor's bid proposal;
- ? bond and insurance forms; and
- ? signed contractor certifications.

Step 10 – Submit a Revised Project Budget and Implementation Schedule

Once the TSEP recipient has determined who will be awarded the construction contract for the project, a revised project budget must be submitted to the TSEP liaison to reflect the amount of the bid. In the event that the accepted bid(s) received is less than the approved budget for the construction project, DOC reserves the right to share proportionately in any savings with all funding sources. Any savings will be added to the contingency portion of

the project budget. **Within 15 days after the construction project has been awarded, a final project budget must be established with DOC.**

If there are any savings upon completion of the project, DOC reserves the right to share proportionately in those savings with all funding sources. However, the TSEP recipient may request to use the balance of the TSEP funds for an eligible activity, which further enhances the contracted project. Before DOC makes a determination to allow the additional activity, the TSEP recipient must demonstrate that the activity will:

- be consistent with the intent of the original proposed project approved by the Legislature;
- clearly enhance the overall impact of the original project; and
- be able to be completed with the excess funds in a timely manner.

The TSEP recipient must have also demonstrated satisfactory progress toward completion of the original contracted project activities.

The TSEP recipient should send the TSEP liaison a written request to amend the TSEP contract for the additional activities, including full rationale and cost details, for DOC review and approval. If DOC denies this request, the bid amount plus ten percent (10%) contingency will be established as the revised or final construction budget.

The TSEP recipient must also submit a revised project implementation schedule to the TSEP liaison within 15 days after the construction bid has been awarded. The TSEP recipient must incorporate into the implementation schedule each major milestone in the construction of the project. The implementation schedule should indicate the time period required to construct the major components of the project such as: treatment plan, lift station, mains, lagoons, etc. The project engineer should be able to provide that information to you.

Step 11 - Hold Preconstruction Conference

The preconstruction conference should be held soon after the contract award. The TSEP recipient and prime contractor should include all subcontractors in the discussions to ensure that the subcontractors are aware that they must also comply with the federal labor standards and civil rights provisions.

The conference represents a key opportunity prior to beginning project construction for the TSEP recipient to give instructions to the contractor. These instructions should include a review of the project and timetable, method for payment, and contractor responsibilities related to labor standards, and other state or local requirements. At this meeting, the contractor should be given a summary of the basic TSEP requirements as listed in Exhibit 6-D

of Chapter 6. Chapter 6, Labor Requirements, provides additional information on preconstruction conferences. The TSEP grant administrator should ensure that minutes of the preconstruction conference are placed in the construction contract file. (See Preconstruction Conference Planning Guide, Exhibit 6-D.)

The TSEP liaison will attempt to schedule a meeting with the grant administrator and engineer immediately prior to the preconstruction conference, in order to review TSEP's administrative requirements during the construction phase.

Step 12 - Issue Notice to Proceed

Upon execution of the contract and holding the preconstruction conference, the TSEP recipient may then provide the prime contractor(s) with a "Notice to Proceed." This notice establishes the construction starting date and the estimated date of completion. (A sample "Notice to Proceed" is included in the "Montana Public Works Standards Specification" cited previously.)

A copy of the notice must be sent to your TSEP liaison when issued to the contractor. Additionally, the grant administrator must send the TSEP liaison a "Notice to MDOC of Contract Award and Preconstruction Conference," including the date on which construction will start. (See Exhibit 8-B.)

In the event a contractor is unable to complete a construction project, the TSEP recipient may assess the contractor for the costs the TSEP recipient must incur in order to complete the project. This assessment generally takes into account the work actually performed by the original contractor and the total amount of any contracts needed to satisfactorily complete the construction. These provisions must be consistent with the corresponding elements of the contract document.

Step 13 - Monitor Contractor Activities

Throughout the construction period, the TSEP recipient is responsible for monitoring the contractor for performance with the project's technical specifications and for compliance with all state and local standards and the terms of the contract.

Performance monitoring should be conducted by the TSEP recipient's engineer and consist of the following elements:

- ? general supervision, including identifying the need for any construction adjustments and preparation of contract amendments. **Change orders that would affect the TSEP portion of the project budget, or substantially affect the approved TSEP-funded scope of work as described in the TSEP contract with the TSEP recipient, require prior MDOC review and approval before such**

change orders are signed. This also involves reviews of major changes to the estimated construction schedule;

- ? quality control to the extent necessary to ensure compliance with technical specifications and conformance with codes and standards;
- ? quality control as needed to ensure that the contractor is providing materials and products consistent with the quantities identified in the design and specifications; and
- ? certification of pay estimates to be used by the TSEP recipient's financial officer to verify estimated costs for partial payments. The project engineer should also obtain evidence that the contractor has made partial payments to any subcontractor or suppliers.

Where the construction project was awarded based on a fixed price bid, the contractor should prepare a cost breakdown showing the amount of funding associated with each element of the construction contract. This information can be used by the engineer for performance monitoring and for determining the accuracy of requests for payments. A copy of this information, which is usually incorporated into the contractor's payment request form, should be included in each of the TSEP recipient's draw requests to facilitate MDOC financial review requirements.

Retainage and Gross Receipts Tax

Partial payments may generally be made up to 95 percent of the total amount of compensation in the contract. The remaining five percent, or retainage amount, is held pending the final inspection and acceptance of work. The actual amounts retained may vary, depending on the amount of the contract, progress of construction, and other specific instructions in the contract. Any interest earned on retained funds is not required to be paid to the contractor.

In addition to the retainage, the TSEP recipient must retain one percent of the total amount of each partial payment due to the contractor and transmit these funds to the Montana Department of Revenue for the Contractor's Gross Receipts Tax. Contracts valued at less than \$5,000 are exempt from this provision. Copies of the "Contract Award Report" and the "Gross Receipts Withholding Report" are contained in Exhibit 8-C, Business Tax Guide To Montana Contractors Gross Receipts Tax.

Compliance monitoring for labor and other requirements should be conducted on an ongoing basis by the TSEP recipient. Refer to Chapter 6, Labor Requirements, for guidance.

Step 14 - Conduct Final Inspection

Upon completion of the construction activities, the engineer must provide the TSEP recipient with a set of "as-built" plans with the request for final payment. Before making the final payment less the retainage, the TSEP recipient must conduct a final inspection of the construction work. Additionally, there should be a determination of whether all state prevailing wage requirements have been satisfied, and that all contract files are complete.

A written acceptance of work can then be issued and final payment made less the retainage. The retainage may be released after 45 days upon submission of a lien release from all contractors and suppliers.

If, after 45 days, there remain claims or liens against the contract, appropriate action must be taken which includes making payments from the retainage and/or the performance and payment bonds as prescribed by state law.

Within 90 days after completion of construction activities, the Montana Department of Environmental Quality requires "as-built" plans to be submitted by your engineer for all water and sewer projects, along with his certification that these activities were completed in accordance with the initially approved plans and specifications.

Within 10 days after a request by the construction contractor for final acceptance, unless otherwise provided by the contract, the local government must decide whether or not to make final acceptance. Final acceptance means that the building has been certified by the project engineer that it has been constructed in accordance with the terms and conditions of the contract documents. Within 30 days after final acceptance, the TSEP recipient must make the final payment of the contract price specified in the contract to the other party to the contract.

Step 15 - Maintain Records

For each major construction (prime) contract the TSEP recipient should maintain a separate contract file. The following documents should be retained in the construction contract file:

- ? design and cost estimates;
- ? evidence of easements and acquisition;
- ? bid documents, including required labor and other provisions;
- ? evidence of bid advertising;
- ? minutes of bid opening including tabulation of bids;

- ? evidence of low bid review;
- ? evidence of verifying eligibility of low bidder;
- ? copy of Notice of Contract Award;
- ? executed contracted documents with attachments;
- ? copy of Notice to MDOC of Contract Award and Preconstruction Conference (Exhibit 8-B);
- ? minutes of preconstruction conference;
- ? copy of Notice to Proceed;
- ? monitoring and inspection reports;
- ? evidence of the final inspection;
- ? notice of acceptance of work;
- ? lien releases from all contractors and suppliers; and
- ? evidence of disposition of outstanding claims.

The following information should be retained in the labor standards file:

- ? contractor's weekly payroll and signed Statement of Compliance;
- ? records of construction worker interviews; and
- ? evidence of any violations and resolutions of violations.

C. PERMITS AND OTHER REQUIREMENTS

Public facilities projects constructed with TSEP funds may be required to obtain state or federal permits and are subject to various requirements, such as:

1. Building Code Requirements
 - Structures modified or constructed with TSEP funds must meet or exceed requirements contained in current editions of the following:
 - National Electrical Code, as amended;

- Uniform Plumbing Code, as amended;
- Uniform Mechanical Code, as amended; and
- the Uniform Building Code.

Permits must be obtained from the MDOC Building Codes Bureau for all electrical and/or plumbing work undertaken with TSEP funds unless the TSEP recipient has been certified by the Bureau to enforce the codes cited above. In such cases, permits will be obtained locally. In addition, in those cases where the TSEP recipient has not been certified by the Building Codes Bureau, permits must be obtained from the Bureau for general building and mechanical work involving any commercial or public buildings.

2. Floodplain Requirements

Because water and sewer treatment facilities are frequently located in proximity to surface waters or low-lying areas, special attention should be paid to requirements related to floodplains and wetlands. The TSEP recipient must determine whether a proposed project is located in or will affect a floodplain or wetlands area. If assistance is needed in determining whether the project is located in or would affect a floodplain, please contact:

Floodplain Management
Water Operations Bureau
Water Resources Division
Montana Department of Natural Resources and Conservation
1424 9th Avenue
PO Box 201601
Helena, Montana 59620-1601

Phone Number: 444-6654

3. Lakes, Streams and Rivers

The placement and construction of structures or improvements, such as bridges, below the low water mark of navigable water bodies requires a permit from the Montana Department of Natural Resources and Conservation. This requirement applies to any lake or streambed that has a history of commercial use or navigation. The structures covered by the requirement include bridges, roads, pipelines, power lines, telephone lines, diversion structures and riprap. For information regarding compliance with the state permit requirements, contact:

Special Use Management Bureau
Trust Land Management Division
Montana Department of Natural Resources and Conservation
1625 11th Avenue
PO Box 201601
Helena, Montana 59620-1601

Phone Number: 444-2074

In addition, U.S. Environmental Protection Agency approval or a U.S. Army Corps of Engineers "404" permit may be required if wetlands will be affected.

A "310" permit from the County Conservation District may be necessary if construction work will affect a streambank.

SUMMARY

Compliance with the applicable state requirements, such as procurement and labor standards, is the responsibility of the TSEP recipient and can be met by:

1. Selecting engineering services in accordance with state procurement standards appropriate for competitive negotiation (Requests for Proposals) (see Step 1);
2. Preparing design plans and bid specifications and all remaining bid document items which include the required state construction contract provisions and receive all necessary state and federal agency reviews and approvals (see Steps 2 and 3);
3. Providing for the appropriate advertisement of bid solicitation and bid security procedures (see Steps 4 and 5);
4. Conducting the bid opening in a proper manner and giving appropriate attention to bid review procedures (see Steps 6, 7, and 8);
5. Awarding the construction contract to the lowest responsible bidder within the required time (see Step 9);
6. Holding a preconstruction conference to inform the prime contractor and all subcontractors performing contract construction work of their legal obligations (see Step 10);
7. Providing the required notices when initiating construction activities (see Step 11);
8. Monitoring contractor activities throughout the construction period to ensure performance is in accord with the technical specifications and compliance is maintained with all state and local requirements and the terms of the contract (see Step 12); and
9. Conducting the final inspection and filing the required notices and reports with the appropriate agencies (see Step 13).

CHAPTER 8

EXHIBITS

- 8-A TSEP Supplemental General Conditions
- 8-B Notice to MDOC of Contract Award and Preconstruction Conference
- 8-C Business Tax Guide to Montana Contractors Gross Receipts Tax